

Meeting	SPA Board Meeting
Date	31 May 2018
Location	COSLA, Verity House, Haymarket Yards, Edinburgh, EH12 5BH
Title of Paper	Improving SPA Corporate Governance Arrangements: Next Phase
Reference	B05.2018/09
Presented by	Kenneth Hogg, SPA Interim Chief Officer
Recommendation to Members	For Approval
Appendix Attached	Yes – Working Group Terms of Reference

PURPOSE

This paper proposes next steps in the SPA's ongoing programme to improve its corporate governance and decision making processes, particularly in relation to Police Scotland's delivery of its transformation and change portfolio as part of implementing the 10 year strategy 'Policing 2026'.

1. Background

- 1.1 A key element of the SPA's Improvement Plan for 2018/19 relates to improving how the SPA's Board and Committees work: ensuring that the structure, composition and workings of our decision-making arrangements enable a strategic approach which focusses on the right issues at the right time and add value to the development of policing in Scotland.
- 1.2. Initial steps on that process were taken with the re-establishment in January 2018 of the SPA Complaints & Conduct Committee with delegated decision making powers, and with the establishment of a new Succession Planning and Appointments Committee. This paper seeks approval of a further set of proposals.

2. SPA Board

- 2.1 Part of the SPA's improvement programme includes changing how the Board operates. As a Public Body, the SPA's decision making authority derives from the Board, and it is important that the SPA operates in line with the guidance and principles set out in the Scottish Government publication 'On Board'.
- 2.2 In order to build and maintain public trust and confidence in policing, the Board needs to be able to devote time and energy to engaging at strategic level on key issues of public interest, bringing non-executive questioning, challenge and scrutiny. In practice, this suggests a need for Board agendas focussed on a smaller number of key strategic issues, including those which are of significant public interest. These might include:
 - setting and reviewing long term strategy, including the Strategic Police Plan;
 - scrutiny of policing activity against published plans;
 - ensuring delivery of change in line with the 10-year strategy '2026 – Serving a Changing Scotland';
 - potential wider impacts and implications of policing decisions on/for communities of place and communities of interest;
 - ensuring compliance with relevant legislative and other requirements;
 - the health and wellbeing of staff, particularly in the context of service change;

- identification and understanding of strategic, high-level risk;
- statutory financial duties including annual budgets and accounts.

2.3 These more strategic discussions might benefit from wider stakeholders' participation on a case by case basis, to ensure that a fuller range of views can inform Board discussions. Invitees might include HMICS, Audit Scotland, PIRC, COSLA, individual local authorities, Trade Unions, Staff Associations, Community Councils, and other public, private and third sector organisations, depending on the issues being discussed.

3. SPA Committees

3.1 A more strategically focussed Board would require to be supported by Committees undertaking more of the detailed scrutiny and decision making, some of which currently takes place at Board meetings. Initial steps in this direction have been taken with the re-establishment of the Complaints & Conduct Committee and the creation of the Succession Planning & Appointments Committee, both of which have decision making powers delegated to them by the Board. Going forward, it is proposed that where appropriate the use of delegated powers is considered more widely for other SPA Committees. As with the SPA Board, Committee meetings should take place in public, with any specific items of business requiring to be discussed in private clearly identified, in line with public body best practice.

3.2 Given the increasing pace and scale of Police Scotland's delivery of change programmes as part of Policing 2026, it is proposed that the SPA's Committee structure should be flexed to strengthen its scrutiny of and support for these large change and transformation programmes. Examples of programmes where large scale, high impact change is proposed are: ICT, Digital and Data; Corporate Services transformation; and pay modernisation. Bearing in mind the additional desire to streamline and make more efficient the SPA's corporate governance arrangements, it is not proposed to establish an additional committee focussed solely on delivery of change. Most change proposals have financial and people/workforce implications, and it would be preferable for SPA's scrutiny to take a more holistic view of change proposals. It is therefore proposed to establish, by autumn 2018, a new Strategy, Resources & Performance Committee, which would include scrutiny of matters currently carried out in the Finance Committee, People

Committee and Policing Committee. This would enable, through the one Committee, a more holistic engagement with all aspects of human and financial resourcing - including the cycle of financial planning, expenditure and reporting - alongside scrutiny of change proposals and an understanding of performance being delivered.

3.3 Further benefits would include:

- better visibility and understanding of risks, benefits, impacts and consequences of proposals brought forward by Police Scotland or SPA, and allowing a strategic view across the key areas of people, finance, technology, change management and performance;
- better enabling the SPA to discharge its responsibilities as the legal employer of police staff and its responsibilities in relation to police officers;
- facilitating a more integrated and stronger system of assurance for the Accountable Officer;
- reducing duplication of effort and creating a more holistic and strategic approach to Committee decision-making;
- improving monitoring of meeting statutory duties.

3.4 This would be a significant change in the current SPA Committee structure, and would affect how the SPA engages with some of the biggest financial, operational and workforce aspects of Police Scotland's transformation. It is therefore proposed to take a phased approach to its introduction to allow more detailed planning to take place in relation to delegated authorities, to allow full consideration by all relevant parties, and to plan a smooth transition. The following phased approach is therefore proposed:

- the SPA Finance Committee will continue to meet and operate with its current remit until such time as the Strategy, Resources and Performance Committee is fully established;
- the meeting of the SPA Policing Committee held on 29 May 2018 will be its last meeting. There will be an increased focus on major strategic policing developments with a significant public interest at the SPA Board;
- the SPA People Committee is not scheduled to meet in the next few weeks, and it is envisaged that it will not meet again. There will be a greater focus on strategic 'people' issues at the full Board and through the type of workforce partnership forum with staff

associations and trades unions which the Chair has convened twice this year, most recently on 16 May 2018;

- an SPA Transformation Working Group, which was established in 2017 will be reconstituted with a revised terms of reference and membership, with immediate effect, to increase SPA's engagement with the change and transformation portfolio. It is proposed that Mary Pitcaithly should Chair the Working Group and will, in conjunction with the SPA Chair and Vice Chair, appoint additional members shortly. The Working Group should, over the next 3-4 months, familiarise itself with the main components of Police Scotland's change and transformation portfolio and engage with a range of interests to consider the most effective arrangements for SPA governance and oversight of this work in the future. The Working Group will continue until the Strategy, Resources and Performance Committee is established, at which point the Working Group will cease to meet. A proposed terms of reference for the Transformation Working Group is attached at Annex A for approval. While the Working Group will not be a formal committee it will have regard to the guiding principles of transparency and collaborative working in carrying out its remit and, to that end, will meet in public whenever it can.

3.5 At this point in time, no further change is proposed for the following Committees beyond strengthening membership:

- Audit Committee;
- Complaints & Conduct Committee;
- Forensics Committee;
- Succession Planning & Appointments Committee.

4 SPA Executive Team

4.1 Enabling this overall approach to work at Board and Committee level will require a different level of contribution from the SPA's executive team. As now, the Board and Committees will require secretariat support: arranging and organising meetings, agreeing agendas, minuting meetings, managing action logs. In each case, that support should be knowledgeable about the role of the Committee and highly professional. Meetings should be provided with the right official advice on issues, with the right level of professional expertise available to Members. This

higher level of service has been prototyped in recent months at Board level on key issues and with the re-established Complaints & Conduct Committee in all of its work, and should be rolled out more widely as the executive team's capability is increased.

4.2 In addition to secretariat support, as capability is increased then additional calls should be made on the executive team. For example:

- there is scope for SPA officials to work more strategically with Police Scotland to plan Board and Committee business well in advance (eg a year), synchronising the development and evolution of workstreams with key SPA decision points;
- some SPA-Police Scotland business transactions and engagement should happen primarily at executive level without the need for a Committee or the Board to consider the matter, or to consider it so often. Committees may wish to delegate tasks to the SPA executive team to take forward in a way which is currently not possible given the limited capacity in the executive team;
- it will be appropriate that advice should, to a greater extent than currently, be given direct to Committees or the Board by SPA officials on some issues, for example where the SPA has specific responsibilities distinct from Police Scotland (for example as the employer of Police staff), or where Members wish a view from SPA officials on information presented by Police Scotland (for example on performance reporting, or are seeking the view of the Accountable Officer);

4.3 As part of the SPA Improvement Plan agreed by the Board on 2 May 2018, action is now under way to develop and consult on a new organisational structure for the SPA executive team with increased capacity and capability from the current staff complement of 39 people and from the existing agreed establishment level of 47. If approved and implemented, the proposed new resourcing arrangements would be significantly more able than at present to deliver the level of service described above.

5. FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications in this paper. Financial implications associated with restructuring of the executive team will be presented to the Board separately along with those proposals.

6. PERSONNEL IMPLICATIONS

6.1 There are no direct personnel implications in this paper. Personnel implications associated with restructuring of the executive team will be presented to the Board separately along with those proposals.

7. LEGAL IMPLICATIONS

7.1 There are no direct legal implications in this paper.

8. REPUTATIONAL IMPLICATIONS

8.1 There are no direct reputational implications in this paper.

9. SOCIAL IMPLICATIONS

9.1 There are no direct social implications in this paper.

10. COMMUNITY IMPACT

10.1 There are no direct community impact implications in this paper.

11. EQUALITIES IMPLICATIONS

11.1 There are no direct equalities implications in this paper.

12. ENVIRONMENTAL IMPLICATIONS

12.1 There are no direct environmental implications in this paper.

RECOMMENDATIONS

The Board is invited to:

- (a) agree the phased approach recommended for the next phase of SPA Committee development, including the use of the SPA's Transformation Working Group for an interim period in advance of the establishment in the autumn of the Strategy, Resources and Performance Committee;
- (b) appoint Mary Pitcaithly as chair of the Working Group; and
- (c) agree that the SPA Chair and Vice Chair shall be authorised to appoint the other members of the Working Group.

TERMS OF REFERENCE

TRANSFORMATION WORKING GROUP

Purpose and Scope

1. The purpose of this Working Group is to oversee and monitor progress of Police Scotland's change and transformation portfolio and to develop proposals for consideration by the Board on future SPA governance and oversight of this work. It is not a decision-making forum. Full governance and oversight of the transformation portfolio will continue to be the responsibility of the Board. The function of the Working Group is to allow for more detailed examination of portfolio progress and to provide advice to the Board. Responsibility for delivery of the change and transformation portfolio rests with Police Scotland.
2. Working Group meetings will primarily be used to review and monitor at strategic level:
 - i) overall progress against plans, including budget;
 - ii) significant changes to programmes/projects, including new project proposals or project closures;
 - iii) significant performance variation and any corrective action taken;
 - iv) risks;
 - v) portfolio, programme and project interdependencies;
 - vi) programme assurance methodologies, eg Gateway Reviews and any associated reports and recommendations.

Membership

3. The Working Group will comprise a Chair appointed by the Board and other SPA Members to be appointed by the Chair and Vice Chair of the Board.
4. Senior Police Scotland officers and staff will attend, as required, and will participate fully in the Working Group.
5. Representatives from external stakeholders or partner organisations may be invited to attend meetings for consideration of specific agenda items/subject areas.
6. The SPA Interim Chief Officer will ensure the Working Group is provided with such professional or other advice as may be required to discharge its remit.

Meetings

7. The Working Group will aim to carry out its business in public, wherever possible.

Secretariat

8. Support will be provided to meetings by SPA officers through a dedicated Secretariat, which will be responsible for all arrangements associated with supporting the meeting.